UNDP

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APPROVAL OF UNDP ASSISTANCE TO AN INTERREGIONAL PROJECT
(INT/91/036) - Macroeconomic Management under Transition and Adjustment

Date of approval by the AC:[1]	29 January 1992
Expected duration:	One year
Proposed executing agency:	IMF
Implementing agencies:	Ministries/Departments of Finance and Planning and Central Banks in Selected Developing Countries
Proposed UNDP contribution:	$722 000
Source of funds:	IPF

Project background

Many countries in the world are facing deep economic crises as they endeavour to transform themselves from centrally-managed to market-oriented macroeconomic systems. The impetus for market-oriented reforms is the expectation that they will eventually lead to sustained growth over the longer-term. The process of adjustment to market-oriented economic management often proves difficult and costly in the short term as scarce resources are reallocated in response to relative price signals that better reflect forces of supply and demand. Although many transition economies are receiving considerable amounts of external technical assistance on various aspects of the transition process, including that which is being provided by UNDP, little concerted attention has been given by the international community to imparting knowledge about day-to-day macroeconomic skills required at the operational or policy levels.

The International Monetary Fund approached UNDP with a view to securing support from inter-country funds for a programme of training for senior managers of economies in transition to acquire the necessary skills mentioned above. UNDP decided to collaborate with the IMF in conducting such a training programme, the content of which should reflect UNDP as well as IMF "corporate objectives." The desirability of continuing and expanding this effort would be determined only after a thorough review of the situation in 1993.

Description of project

The immediate objective of the project is to reach a significant number of senior policy-makers and managers from certain transition economies.

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

Project activities will include the conducting of a series of interregional, regional and sub-regional seminars dealing with the practical aspects of such topics as macroeconomic accounts, balance of payments analysis and forecasting, domestic debt management and financial reform.

Inputs

UNDP together with other potential donors, such as the Government of Japan will provide travel and per diem costs for all developing country participants in the training courses; costs associated with the recruitment of resource persons to be selected by the IMF in consultation with UNDP; and certain local costs to be incurred by the country hosting the training event.

The IMF will contribute staff time and travel at its own expense.

Financial data

Group training	620 000
Consultants (Resource Persons)	102 000
Total	722 000

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